Jasmine Food Corp Sdn Bhd v Leong Wai Choon & Anor

HIGH COURT (KUALA LUMPUR) — SUIT NO 22IP-19–05 OF 2015
AZIZAH NAWAWI J
16 FEBRUARY 2016

Trade marks — Registered trademark — Passing off — Similarity of graphical work on product packaging — Goodwill and reputation of trademark — Whether registered owner had sufficient reputation in goods or services — Whether registered owner suffered damages due to passing off of trademarks — Whether tort of passing off established — Whether there were triable issues warranting trial — Whether summary judgment ought to be allowed

In addition to being the registered owner of the trademarks 'Jasmine' and 'Sunwhite', the plaintiff claimed to hold the copyright in respect of the graphical work of its rice product packaging. The plaintiff discovered that the defendants had sold rice products using the plaintiff's trademarks and copyright to YSK Mini Market which in turn resold the defendants' said rice products to the public. A trap purchase was set up by purchasing the defendants' counterfeit rice products and according to the plaintiff, comparisons showed that the defendants reproduced 99.9% of the plaintiff's trademarks and copyright. The plaintiff initiated this action against the defendants and filed a summary judgment application against the defendants pursuant to O 14 r 1 of the Rules of Court 2012 ('the ROC 2012') ('encl (6)'). In defence, the defendants submitted that it had obtained the rice products from third parties and had no knowledge that the same had infringed the plaintiff's intellectual property rights. Therefore, the defendants argued that encl (6) should not be allowed since the defendants' statement of defence raised issues that require a full trial.

Held, allowing encl (6) with costs:

(1) The copyright subsisted in the plaintiff's rice product packaging and the plaintiff was the owner of such copyright. The plaintiff had established prima facie evidence that it was the owner of the copyright of the rice product packaging. On the other hand, the defendant did not offer any positive evidence to displace the plaintiff's prima facie ownership of the copyright. Since there was objective similarity between the defendants' infringing work with the plaintiff's copyright, the plaintiff had established that the defendants had copied the plaintiff's copyright in rice packaging (see paras 27, 29 & 36).

(2) As the registered owner of the trademarks Jasmine and Sunwhite, pursuant to s 35 of the Trade Marks Act 1976, the plaintiff had the

statutory exclusive right to use the trademarks to the exclusion of the defendants. The defendants could not use the plaintiff's registered trademarks without the plaintiff's permission. Since the defendant's product was identical to the plaintiff's registered trademarks, there was a higher likelihood of confusion and deception that members of the public would assume that they were buying the plaintiff's products. There was misrepresentation by the defendants which led the public to believe that the bags of rice offered by the defendants were the bags of rice of the plaintiff (see paras 54, 59 & 68).

(3) The plaintiff had established the elements of passing off against the defendants. Since the defendants' counterfeit products and the plaintiff's original products were the same, and were in direct competition with one another, damages to the plaintiff's goodwill would be readily inferred. The plaintiff was likely to suffer damages as a result of the infringing acts of the defendant due to the loss of exclusivity and damage to its goodwill and reputation. Lack of knowledge was not a defence with regards to copyright, trademark infringements and passing off claims. The defendants had not shown any bona fide defence or triable issues which warranted a trial (see para 72–73, 83 & 85).

[Bahasa Malaysia summary

Selain daripada merupakan pemilik berdaftar tanda-tanda dagang 'Jasmine' dan 'Sunwhite', plaintif telah mendakwa memegang hak cipta berkaitan kerja grafik pembungkusan produk berasnya. Plaintif mendapati bahawa defendan-defendan telah menjual produk-produk beras menggunakan tanda dagang dan hak cipta plaintif kepada YSK Mini Market yang kemudian telah menjual semula produk-produk beras defendan-defendan kepada pihak awam. Belian perangkap telah ditetapkan dengan membeli produk-produk beras yang palsu defendan-defendan dan menurut plaintif, perbandingan tersebut menunjukkan bahawa defendan menghasilkan semula 99.9% tanda dagang dan hak cipta plaintif. Plaintif telah memulakan tindakan ini terhadap defendan-defendan dan memfailkan permohonan penghakiman terus terhadap defendan-defendan menurut A 14 k 1 Kaedah-Kaedah Mahkamah 2012 ('KM 2012') ('lampiran (6)'). Dalam pembelaan, defendan-defendan berhujah bahawa ia telah memperoleh produk-produk beras daripada pihak-pihak ketiga dan tidak mempunyai pengetahuan bahawa yang sama telah melanggari hak harta intelek plaintif. Oleh itu, defendan-defendan berhujah bahawa lampiran (6) tidak patut dibenarkan oleh kerana penyataan pembelaan defendan-defendan menimbulkan isu-isu yang memerlukan perbicaraan penuh.

Diputuskan, membenarkan lampiran (6) dengan kos:

(1) Hak cipta terletak dalam pembungkusan produk beras plaintif dan plaintif adalah pemilik hak cipta tersebut. Plaintif telah membuktikan

keterangan prima facie bahawa ia adalah pemilik hak cipta pembungkusan produk beras itu. Sebaliknya, defendan tidak menawarkan apa-apa keterangan positif untuk memindahkan pemilikan prima facie hak cipta plaintif. Oleh kerana terdapat persamaan nyata antara kerja pelanggaran defendan-defendan dengan hak cipta plaintif, plaintif telah membuktikan bahawa defendan-defendan telah meniru hak cipta pembungkusan beras plaintif (lihat perenggan 27, 29 & 36).

(2) Sebagai pemilik berdaftar tanda dagang Jasmine dan Sunwhite menurut s 35 Akta Tanda Dagang 1976, plaintif mempunyai hak eksklusif statutori untuk menggunakan tanda dagang yang mengecualikan defendan-defendan. Defendan-defendan tidak boleh menggunakan tanda dagang berdaftar plaintif tanpa kebenaran plaintif. Oleh kerana produk defendan adalah serupa dengan tanda dagang berdaftar plaintif, terdapat kemungkinan besar kekeliruan dan penipuan bahawa orang awam akan mengandaikan yang mereka membeli produk-produk plaintif. Wujud salah nyata oleh defendan-defendan yang membawa kepada orang awam mempercayai bahawa bungkusan beras yang ditawarkan oleh defendan-deefdan adalah bungkusan beras plaintif (lihat perenggan 54, 59 & 68).

(3) Plaintif telah membuktikan eleman kelirupaan terhadap defendan-defendan. Oleh kerana produk-produk palsu defendan-defendan dan produk-produk asal plaintif adalah sama, dan dalam saingan langsung dengan satu sama lain, kerosakan kepada nama baik plaintif dengan mudah dibuat. Plaintif akan barangkali mengalami kerosakan akibat perbuatan melanggar defendan disebabkan kehilangan sifat eksklusif dan kerosakan kepada nama baik dan reputasinya. Tiada pengetahuan bukan pembelaan berkenaan hak cipta, pelanggaran tanda dagang dan tuntutan kelirupaan. Defendan tidak menunjukkan apa-apa pembelaan bona fide atau isu-isu yang boleh dibicarakan yang mewajarkan perbicaraan (lihat perenggan 72–73, 83 & 85).]

Notes

For cases on registered trademark in general, see 12(2) *Mallal's Digest* (5th Ed, 2015) paras 2827–2885.

Cases referred to

Abercrombie & Fitch Co & Anor v Fashion Factory Outlet KL Sdn Bhd & Ors [2008] 4 MLJ 127; [2008] 7 CLJ 413, HC (refd)

Acushnet Company v Metro Gold Manufacturing Sdn Bhd [2006] MLJU 412; [2006] 7 CLJ 557, HC (refd)

Bank Negara Malaysia v Mohd Ismail & Ors [1992] 1 MLJ 400; [1992] 1 CLJ 627, SC (refd)

Elster Metering Ltd & Anor v Damini Corp Sdn Bhd & Anor [2011] 8 MLJ 253, HC (refd)

Elster Metering Limited & Anor v Damini Corporation Sdn Bhd & Anor [2012] MLJU 1753; [2012] 1 LNS 959, CA (refd)
Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor [2012] MLJU 1192; [2012] 8 CLJ 645, CA (refd)
Leo Pharmaceutical Products Ltd A/S (Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd [2002] MLJU 154; [2002] 6 CLJ 465, HC (refd)
Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise) [2009] 3 MLJ 525; [2009] 8 CLJ 130, HC (refd)
Microsoft Corporation v Yong Wai Hong [2008] 3 MLJ 309; [2008] 6 CLJ 223, CA (refd)
National Company for Foreign Trade v Kayu Raya Sdn Bhd [1984] 2 MLJ 300; [1984] 2 CLJ 220, FC (folld)
Plastech Industrial Systems Sdn Bhd v N & C Resources Sdn Bhd & Ors [2012] 5 MLJ 258, HC (refd)
Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd [2005] 3 MLJ 552, HC (refd)
Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 2 MLJ 770; [1994] 3 CLJ 7, SC (refd)
Syarikat Zamani Hj Tamin Sdn Bhd & Anor v Yong Sze Fun & Anor [2006] 5 MLJ 262, HC (refd)
Tohtonku Sdn Bhd v Superace (M) Sdn Bhd [1992] 2 MLJ 63; [1992] 1 CLJ Rep 344, SC (refd)
Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2012] 1 MLJ 585; [2012] 1 AMR 389, CA (refd)

Legislation referred to

Copyright Act 1987 ss 3(1)(a), 7(1)(c), 13(1), 36(1), 42, 42(1)
Rules of Court 2012 O 14 rr 1, 2
Trade Marks Act 1976 ss 35, 38(1)

PC Kok (PC Ng with him) (PC Kok & Co) for the plaintiff.
Gabriel Daniel (Elaine Gan with him) (Paul Ong & Assoc) for the defendants.

Azizah Nawawi J:

APPLICATION

[1] Enclosure (6) is an application for summary judgment filed by the plaintiff against the defendants pursuant to O 14 r 1 of the Rules of Court 2012 ('the ROC 2012').

[2] The plaintiff's causes of action against the defendants are for:

(i) copyright infringement under the Copyright Act 1987;

(ii) unlawful interference with the plaintiff's trade;

(iii) trademark infringement under the Trade Marks Act 1976; and

(iv) the common law tort of passing off.

[3] In their statement of defence, the defendants raised the following defences against the plaintiff's claim:

(a) the defendant has no knowledge of the plaintiff's claims as the defendant had obtained the said goods from several sources; and

(b) the defendant had acted in good faith when purchasing the goods from third parties at competitive prices.

[4] After hearing the parties, this court has allowed the plaintiff's application with costs.

THE SALIENT FACTS

[5] The plaintiff is a company incorporated in Malaysia and is a subsidiary of Padiberas Nasional Bhd ('BERNAS'). The plaintiff is involved in the business of manufacturing, distribution and sales of various rice products. The plaintiff is one of the largest rice traders in Malaysia, serving 10,000 retail outlets in Malaysia.

[6] The first defendant is the sole proprietor of the second defendant's business. The defendants are involved in the business of dealing with of rice products.

[7] The plaintiff is the registered owner two trademarks in relation to its rice products, namely the trademarks jasmine and Sunwhite. These two trademarks of the plaintiff are registered in Class 30 for, amongst others, rice products/goods. The registration details of these trademarks are as follows:

	Trademark	Registration No	Registration Date	Class of Goods
1.	jasmine	87001261	31/3/1987	30. rice flour, wheat flour, rice, rice noodles and cereals

2.	Sunwhite	87001264	31/3/1987	30: **rice**, rice noodle, rice flour, wheat flour and cereals

[8] In addition to the plaintiff's registered trademarks, the plaintiff also claimed copyright in respect of the graphical work of its rice product packaging, that is:

[9] On or about 19 December 2014, the plaintiff discovered that the defendants have marketed, promoted, offered for sales and sold to YSK Mini Market rice products which uses the plaintiff's said jasmine and Sunwhite trademarks and the plaintiff's copyright. YSK Mini Market then resells the defendants' said rice products to the Malaysian public. The plaintiff says that the defendants' use of the plaintiff's said trademarks and copyright is without the plaintiff's permission or consent.

[10] On or about 29 December 2014 and 3 March 2015, the plaintiff went to the defendants' shop and conducted a trap purchase by purchasing some of the defendants' counterfeit rice products which uses the plaintiff's said trademarks and copyright.

[11] On the 4 March 2015, the plaintiff and the officers from the Kawal Selia Padi & Beras, Ministry of Agriculture & Agro-Based Industry inspected the defendants' shop and they found the defendants were offering for sale and selling alleged counterfeit rice products which uses the plaintiff's said trademarks and copyright.

[12] The plaintiff claimed that from a comparison made between the defendants' alleged counterfeit rice products and the plaintiff's original rice

products shows that the defendants reproduced 99.9% of the plaintiff's trademarks and copyright.

The plaintiff's ORIGINAL rice product	The defendants' alleged counterfeit product

[13] The plaintiff has examined the defendants' alleged counterfeit products and verified that the defendants' products are in fact counterfeit products because the defendants' counterfeit product packaging is not printed by the plaintiff. Therefore, the plaintiff filed this action against the defendants.

THE FINDINGS OF THE COURT

[14] In an application for summary judgment, this court is guided by the principles laid down in *National Company for Foreign Trade v Kayu Raya Sdn Bhd* [1984] 2 MLJ 300; [1984] 2 CLJ 220, where it was stated by the Federal Court as follows:

> ... We think it appropriate to remind ourselves once again that in every application under O 14, the first considerations are (a) whether the case comes within the order and (b) whether the plaintiff has satisfied the preliminary requirements for proceeding under O 14. For the purposes of an application under O 14, the preliminary requirements:
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> (i) the statement of claim must have been served on the defendant;
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> (ii) the defendant must have entered an appearance;

(iii) the affidavit in support of the application must comply with the requirements of r 2 of the O 14.

... If the plaintiff fails to satisfy either of these considerations, the summons may be dismissed. If however, these considerations are satisfied, the plaintiff will have established a prima facie case and he becomes entitled to judgment. This burden then shifts to the defendant to satisfy the court why judgment should not be given against him ...

[15] In the present case, the plaintiffs had satisfied the preliminary requirements as laid down in the *Kayu Raya*'s case that is:

(a) the statement of claim have been served on the defendants;

(b) the defendants have entered appearance; and

(c) the affidavit in support is in compliance with O 14 r 2 of the ROC 2012.

Therefore, the burden is then shifted to the defendants to satisfy the court why judgment should not be entered against them.

[16] In *Bank Negara Malaysia v Mohd Ismail & Ors* [1992] 1 MLJ 400; [1992] 1 CLJ 627 the Supreme Court held that the duty of a judge does not end as soon as the fact is asserted by one party, or denied or disputed by the other on affidavit. The judge has a duty to reject such assertion or denial if such assertion or denial is equivocal or lacking in precision or is inconsistent with undisputed contemporary documents or is inherently improbable. The court will have to identify the issues of fact or law and to determine whether they are triable.

[17] It is also common ground that summary judgment may be entered in cases involving intellectual property rights.

[18] In *Acushnet Company v Metro Gold Manufacturing Sdn Bhd* [2006] MLJU 412; [2006] 7 CLJ 557, a summary judgment was granted for trademark infringement and passing off. At p 571/A–571/E, the court held that:

[29] The granting of such remedies is no exception by the Malaysia Courts. In this regard, the court relies on the case of *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188; [1989] 1 CLJ 919; [1989] 1 CLJ Rep 537, where Justice Zakaria Yatim granted similar remedies. Justice Zakaria Yatim ordered:

In the circumstances, I allow the plaintiff's application for final judgment under O 14 ... for:

(1) an injunction to restrain the defendants ... from infringing the

plaintiff's registered trademark ...;

(2) for delivery up or destruction upon oath of all goods ... offend against the foregoing injunction;

(3) enquiry be made as to what damages ... sustained by the plaintiff; and

(4) the defendants will pay the plaintiff's costs ...

[30] The above authorities clearly show that in cases involving trademark infringement, the court has jurisdiction to enter summary judgment, provided all the necessary ingredients required under O 14 of the RHC 1980 are fulfilled (see also: *Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd* [2005] 3 MLJ 552; [2005] 1 CLJ 200).

[19] Further, the court in *Abercrombie & Fitch Co & Anor v Fashion Factory Outlet KL Sdn Bhd & Ors* [2008] 4 MLJ 127; [2008] 7 CLJ 413 also granted summary judgement for trademark infringement and passing off. The court held at p 141 (MLJ); p 425/F (CLJ):

[25] The High Court is clearly empowered or seized of the jurisdiction to grant a summary judgment for trade mark infringement even if it involves a claim for permanent mandatory injunction. This is clearly borne out by the authorities of *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188; [1989] 1 CLJ 919; [1989] 1 CLJ Rep 537; *Shell-Mex and BP Ltd v Manchester Garages Ltd* [1971] 1 All ER 841; *Binariang Communications v I & P Inderawasih Jaya* [2000] 3 MLJ 321; [2000] 3 CLJ 789 and the recent decision of *Acushnet Company v Metro Golf Manufacturing Sdn Bhd* [2006] 7 CLJ 557.

Issue (i): Copyright infringement

[20] The plaintiff's claim for copyright infringement against the defendant is premised on s 36(1) of the Copyright Act which read as follows:

36 Infringements

(1) Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act.

[21] The plaintiff claim copyright in the following artistic work ('the rice product packaging') pursuant to s 7(1)(c) of the Copyright Act 1987:

[22] In order to establish a claim of copyright infringement, the onus lies with the plaintiff to establish the following elements:

(a) whether the plaintiff's rice product packaging is eligible for copyright protection;

(b) whether the plaintiff owns the copyright in the plaintiff's rice product packaging; and

(c) whether the defendant has infringed the plaintiff's copyright.

[23] Section 7(1)(c) of the Copyright Act 1987 provides that 'artistic works' shall be eligible for copyright. Under s 3(1)(a), 'artistic works' has been defined to mean 'a graphic work ... irrespective of artistic quality'. Further under the same definition section, 'Graphic work' is defined to include 'Any painting, drawing, diagram, map, chart or plan'.

[24] Copyright can be proved in the manner as provided under s 42(1) of the Copyright Act 1987, which reads:

> 42(1) An affidavit, certified extracts of the Register of Copyright referred to in section 26B or statutory declaration made before any person having authority to administer oath by or on behalf of any person claiming to be —
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> (a) the owner of the copyright in any works eligible for copyright under this Act stating that —
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> (i) at the time specified herein copyright subsisted in such work;
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> (ii) he or the person named therein is the owner of the copyright; and
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> (iii) a copy of the work annexed thereto is the true copy thereof; ...
>
> shall be admissible in evidence any proceedings under this Act and shall be *prima facie* evidence of the facts contained therein.

[25] The application of s 42 was considered by the court in *Elster Metering Ltd & Anor v Damini Corp Sdn Bhd & Anor* [2011] 8 MLJ 253, where the court held at pp 260–261:

> Section 42 stipulates five prerequisites, which are as follows:
>
> (a) it must be made by or on behalf of the person claiming to be the copyright owner;
>
> (b) it must state the copyright subsist in the work at the time specified;
>
> (c) that he or the person named therein is the owner of the copyright;
>
> (d) a true copy of the work is annexed;
>
> (e) the person who is authorised to act on behalf of the copyright must produce such an authorisation in writing ...

[26] In present case, the plaintiff has made the required affidavit and extracts of the Register of Copyright pursuant to s 42 of the Copyright Act 1987. Paragraph 21 of affidavit plaintiff 14 July 2015 reads as follows:

> 21. Selanjutnya, disini, saya menyatakan bahawa Hakcipta Plaintif wujud pada/sebelum tindakan ini dimulakan dan pada semua masa material, Plaintif adalah pemunya Hakcipta Plaintif tersebut dan sesalinan karyaasal Hakcipta Plaintif dilampirkan disini sebagai *EKSIBIT 'H'*. Tambahan, Plaintif telah memfailkan notis perlindungan hakcipta untuk sebahagian label produk beras Plaintif itu dengan PHIM (Perbadanan Harta Intelek Malaysia). Dilampirkan di sini sebagai *EKSIBIT 'I'* ialah sesalinan dokumen notis kepada PHIM itu. Plaintif sedia menunjukkan pembungkusan barangan asal Plaintif dan barangan Defendan berkenaan semasa pendengaran permohonan Plaintif ini kelak.

[27] I am therefore of the considered opinion that pursuant to s 42 of the Copyright Act 1987, the plaintiff has established prima facie evidence that the plaintiff is the owner of the copyright in the plaintiff's rice product packaging. This is supported by the decision of Justice Abdul Malik Ishak in *Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd* [2005] 3 MLJ 552 where His Lordship said at p 560:

> It is quite apparent that s 42 of the Copyright Act 1987 prescribes the manner of proving copyright subsistence and ownership of works. It provides that an affidavit or statutory declaration to be made by the copyright owner or persons authorised by the copyright owner and *such affidavit or statutory declaration shall be admissible in any proceedings as prima facie evidence of the facts contained therein*. It is quite obvious that s 42 of the Copyright Act 1987 was enacted to facilitate and ease the process of proving copyright ownership. It is a concession of a sort. It circumvents the requirement of having the produce supporting documentary evidence which may be antiquated and voluminous s 42 of the Copyright Act 1987 places the burden on the infringer to dispute and challenge the prima facie evidence adduced by the copyright owner.

[28] The admission of the affidavit, which complies with s 42 of the Copyright Act 1987 will have the effect of shifting the burden of proof to the defendants to rebut the prima facie evidence as to the subsistence of copyright in the plaintiff's rice product packaging and the plaintiff's ownership to such copyright. This is affirmed by the decision of the Court of Appeal in *Microsoft Corporation v Yong Wai Hong* [2008] 3 MLJ 309; [2008] 6 CLJ 223, where the court held at p 318 (MLJ); p 232 (CLJ):

> In the present case, the appellant filed an affidavit which complies with s 42(1) of the Copyright Act. *The effect of that is to provide prima facie evidence of the facts of the appellant's ownership of the copyright over several works in question. It was then for the respondent to offer positive evidence to displace the appellant's prima facie ownership, for example, by showing that some other person is the true owner of the claimed copyright*. But that, as has already been seen is not what the respondent did. (Emphasis added.)

[29] In the present case, the defendant did not offer any positive evidence to displace the plaintiff's prima facie ownership of the copyright. Therefore, I am of the considered opinion that copyright subsists in the plaintiff's rice product packaging and that the plaintiff is the owner of such copyright.

[30] The next issue is whether the defendant has infringed the plaintiff's copyright under s 36(1) read with s 13(1) of the Copyright Act 1987. Section 36(1) of the Copyright Act 1987 reads as follows:

> 36(1) Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, *an act the doing of which is controlled by copyright* under this Act.

[31] 'The act of doing of which is controlled by copyright' refers to s 13(1) of the Copyright Act 1987, which reads:

> 13(1) Copyright in a literary, musical or artistic work, a film, or a sound recording or a derivative work shall be the exclusive right to control in Malaysia —
>
> ...
>
> (e) the distribution of copies to the public by sale or other transfer of ownership; ...
>
> of the whole work or a substantial part thereof ...

[32] The application of both ss 36(1) and 13(1) was considered by Justice Low Hop Bing in *Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise)* [2009] 3 MLJ 525; [2009] 8 CLJ 130 where His Lordship held at p 536:

> The essential elements constituting copyright infringement have been set out by Sir Raymond Evershed MR in *Purefoy Engineering Co Ltd v Sykes Boxall & Co Ltd* (1955) 72 RPC 89. Prof Dr Khaw Lake Tee adopted these elements in *Copyright*

Law in Malaysia [1994] at pp 87 and 88 as follows:

For purposes of direct infringement, it must be established that:

(a) There is sufficient objective similarity between the original work or a substantial part thereof, and the infringing copy;

(b) There is a causal connection between the original work and the infringing copy, that is, the infringing copy must have been copied from the original work, whether directly or indirectly; and

(c) What has been infringed must constitute a substantial part of the original work.

[33] In the present case, the plaintiff submits that the defendants have committed copyright infringement when they have sold its counterfeit rice product with its infringing packaging to YSK Mini Market (40 bags) (see exh 'J' to the plaintiff's affidavit affirmed on 14 July 2015) and to the plaintiff's representatives (two bags) (see exhs 'L' and 'M' the plaintiff's affidavit affirmed on 14 July 2015).

[34] A comparison between the plaintiff's copyrighted rice packaging with the defendants' packaging shows that the defendants have reproduced 99.9% of the plaintiff's copyrighted packaging design. The plaintiff submits that the two rice product packaging is 'ALMOST IDENTICAL'.

The plaintiff's rice product	The defendants' rice product

[35] In *Megnaway Enterprise Sdn Bhd*, the court held as follows:

A [42] *There could be infringement even though the imitation is not an exact replica*. It does not matter whether the size of the copy has been increased or reduced, or whether the whole or part of the original was copied. *There need not be an exact reproduction*, but there must be a high degree of similarity between the two: *AUVI Trademark*, per Chao Hick Tin J.

B [43] In copyright law, *once substantial similarity is established, a prime facie presumption of copying by the defendant arises* and the burden is shifted to the defendant to rebut the causal connection. Where the defendant has failed to rebut this presumption, the second element is fulfilled.

C ...

[45] For the purpose of establishing the third element, *a practical approach was adopted* in *Stesin Pty Ltd and Another v Johnson and Others* [1995] 29 IPR 461, *where a comparison was made* of two almost identical plans.

...

D [47] *The fact that the defendant has sold and is selling anti-theft system undoubtedly establishes an infringement of copyright on the part of the defendant under s 13(e) ie, by distributing infringing copies to the public by sale. The right to distribute the work or any reproduction thereof is vested exclusively on the copy right owner or its licensee and this right extends to copies or any reproduction of the works*. (Emphasis added.)

E

[36] On the facts of the present case, I agree with the plaintiff that from a comparison between the plaintiff's copyrighted works, the rice product packaging with the defendants' rice product packaging, it clearly shows that the defendants have copied the plaintiff's copyright. The defendant's rice product F packaging is ALMOST IDENTICAL (99.9%) to the plaintiff's copyright. As there is objective similarity between the defendants' infringing work with the plaintiff's copyright, I am of the considered opinion that the plaintiff has established that the defendants have copied the plaintiff's copyright rice G packaging.

[37] The next issue is on the causal connection between the original work (the plaintiff's rice product packaging) and the infringing copy (the defendant's rice product packaging), that is, the infringing copy must have been copied H from the original work, whether directly or indirectly link.

[38] On this issue of causal connection, Justice Azhar Mohamad in *Plastech Industrial Systems Sdn Bhd v N & C Resources Sdn Bhd & Ors* [2012] 5 MLJ 258 has held that there was causal connection between the infringing works of the I first defendant and the plaintiff's copyright works as the second to the fourth defendants had prior access to the plaintiff's works. Therefore, prior access to the copyrighted work may establish causal connection between the works in issue.

[39] In the present case, I find that the defendants have prior access to the plaintiff's copyright. The defendant (Leong Wai Choon) was a previous customer of the plaintiff and has bought the plaintiff's rice product using the plaintiff's copyright for resale.

[40] The plaintiff further submits that the defendants, by selling its rice product using the plaintiff's copyrighted rice product packaging, without the plaintiff's permission, has committed copyright infringement. The defendant has sold its counterfeit rice product using its infringing packaging to YSK Mini Market and the plaintiff's representatives through the trap purchases conducted by the plaintiff.

[41] However, it is the submission of the defendants that there is no evidence to show that the defendants have sold the rice products to YSK Mini Market as there is no affidavit from YSK Mini Market to verify the same. On this point, I agree with the defendants that apart from the invoice from the defendant, there is nothing from YSK Mini Market to confirm that the infringing rice products were sold to them by the defendants.

[42] With regards to the trap purchase made by the plaintiff, I am of the considered opinion that the plaintiff has affirmed that they have bought the rice products from the defendants, as exhibited by the sale invoice dated 3 March 2015 (see exh M) and the rice product is as per Schedule B (see paras 24.4 and 24.5 of the plaintiff's affidavit in support). I also take note that the defendants did not dispute that the sale invoice dated 3 March 2015 was issued by them. In para 12.4 of the affidavit affirmed by the first defendant, the defendants states that:

> 12.4 Saya tidak mempunyai pengetahuan berkenaan perenggan 24.4, 24.5 and 24.6 Afidavit Sokongan kerana kedai Defendan Kedua adalah terbuka kepada semua orang dan sesiapa sahaja boleh membeli beras daripada Defendan Kedua. Invois di Eksibit 'L' dan 'M' Afidavit Sokongan boleh didapati oleh sesiapa sahaja yang telah datang ke kedai Defendan Kedua ...

[43] Therefore, premised on the trap purchase on 3 March 2015, the sales invoice of the second defendant and the counterfeit rice products in Schedule B, I am of the considered opinion that the defendants have distributed the rice products which the plaintiff claim to have infringed their copyright, to the public by sale.

[44] This fact is further corroborated from the pictures taken during the visit of the second defendant's shop by the officers from Kawal Selia Padi dan Beras, Ministry of Agriculture on 4 March 2015. The following pictures were taken

during the visit by the said officials, where it can be seen that packets of rice bearing the plaintiff's copyright rice packaging were in the second defendant's shop.

[45] The defendant did not dispute the visit by the said officials and conceded that only 12 packets of the rice products were at the shop, but it is the defendant's case that these 12 packets of rice were not for sale but to be distributed to relatives in conjunction with the Chinese New Year celebration. However, I agree with the plaintiff that since the visit was made *after* the Chinese New Year celebration, the defendant's explanation cannot be accepted. Added to that, as the rice packets are stacked with other rice products, I can only conclude that they are being offered for sale to the public.

[46] The defendant's next contention is that the plaintiff has failed to prove that the rice products in Schedule B, which were part of the trap purchase on 3 March 2015 and the visit on 4 March 2015 are counterfeit products. The defendants submit that there is nothing to show that the rice products in Schedule B are counterfeit products.

[47] However, in para (18) of the SOC, the plaintiff has pleaded that the rice products in Schedule B 'tidak berasal dari Plaintif dan yang tidak diluluskan oleh Plaintif ...'. I am also of the considered opinion that from the affidavits of the plaintiff, they have shown that the rice products in Schedule B are counterfeit products, because they are not produced or manufactured by the plaintiff and neither were they approved by the plaintiff. In other words, because the rice products in Schedule B are not from the plaintiff, then they must be counterfeit products. The plaintiff reaffirms this in para 14 of their affidavit affirmed on 13 August 2015, which reads:

> 14. Lanjutan kepada perenggan di atas, Plaintif selaku pengilang barangnya sendiri sudah pasti tahu bahawa barangan palsu, tiruan dan langgaran Defendan itu adalah palsu dan tiruan. Plaintif selaku pengilang asal dan asli barangan plaintif berkenaan yang pasti tahu telah memeriksanya dan mengesahkannya ...

[48] Premised on the above, I am of the considered opinion that the rice products in Schedule B are not the plaintiff's products, but are counterfeit products. Therefore, I find that by selling the counterfeit products in the trap purchase on 3 March 2015 and offering the same for sale in their shop on 4 March 2015, the defendants have infringed the plaintiff's copyright in the rice packaging.

Issue (ii): Unlawful interference with trade

[49] With regards to the issue of unlawful interference with trade, the court in *Megnaway Enterprise Sdn Bhd* held that unlawful interference with trade is proved if the defendants have sold and offered for sales its product which infringes the plaintiff's copyright. At p 538 (MLJ); p 145/A–F (CLJ), the court held as follows:

> [49] Although unlawful interference with trade is a developing tort and of uncertain ambit, its existence is beyond doubt and certain of its features are clearly defined. In *H & R Johnson (Malaysia) Bhd v H & R Johnson Tiles Limited & Anor* [1995] 2 CLJ 581 at p 593, Zakaria Yatim (later FCJ), citing authorities, said:
>
> > ... If one person deliberately interferes with the trade or business of another, and does so by unlawful means, that is, by an act which he is not at liberty to commit, then he is acting unlawfully, even though he does not procure or induce any actual breach of contract: *Torquay Hotel Co Ltd v Cousins & Ors* [1969] 2 Ch 106 at p 139 per Lord Denning MR.
>
> [50] *By selling, offering for sale and distributing an anti-theft system which is infringing the plaintiff's copyright, the defendant has interfered with the plaintiff's trade.*
>
> [51] The unlawful means employed here is the act of selling, offering for sale and distribution an infringing copy of the plaintiff's anti-theft system.
>
> [52] As a result of the defendant's unlawful interference with the plaintiff's trade, the plaintiff's goodwill and reputation have been injured with direct and indirect negative consequence on the plaintiff's sales.
>
> [53] In the circumstances, I find that the defendant is liable to the plaintiff for the tort of unlawful interference with the plaintiff's trade or business. (Emphasis added.)

[50] It is clear on the facts that the defendants' counterfeit rice products uses a packaging that infringes upon the plaintiff's copyright. The defendants' said packaging is 99.9% identical to the plaintiff's copyright.

[51] Therefore, based on my finding that the defendants have sold and are offering for sale its counterfeit rice products which use the plaintiff's copyright design, the defendants has committed copyright infringement. As such, the defendants have also committed unlawful interference with the plaintiff's trade.

Issue (iii): Trademark infringement

[52] Trademark infringement is provided for in s 38(1) of the Trade Marks Act 1976 ('the TMA 1976'), which reads as follows:

> 38 Infringement of a trade mark
>
> (1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be take neither —
>
> (a) as being use as a trade mark;
>
> (b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade;

[53] The plaintiff is the owner of two trademarks that are used on rice products:

	Trademark	Registration No	Registration Date	Class of Goods
1.	jasmine	87001261	31/3/1987	30: rice flour, wheat flour, rice, rice noodles and cereals
2.	Sunwhite	87001264	31/3/1987	30: rice, rice noodle, rice flour, wheat flour and cereals

[54] Pursuant to s 35 of the TMA 1976, the registration of the above two trademarks by the plaintiff gives the plaintiff the statutory exclusive right to use those trade marks to the exclusion of the defendants. The defendants cannot use the plaintiff's registered trademarks without the plaintiff's permission.

[55] The plaintiff claims that it has never given any permission to the defendants to use its registered trademarks.

[56] Trademark infringement pursuant to s 38(1) of the TMA 1976 was considered by Justice Low Hop Bing in *Leo Pharmaceutical Products Ltd A/S*

(Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd [2002] MLJU 154; [2002] 6 CLJ 465, where His Lordship opined that in order to prove infringement, it is incumbent upon the plaintiff to prove that:

(a) The defendant is neither the registered proprietor nor the registered user of the trademark;

(b) The defendant used a mark identical with or so nearly resembling the plaintiff's registered trademark as is likely to deceive or cause confusion;

(c) The defendant was using the offending mark in the course of trade;

(d) The defendant was using the offending mark in relation to goods or service within the scope of the registration; and

(e) The defendant used the offending mark in such a manner as to render use likely to be taken either as being used as a trademark or as importing a reference to the registered proprietor or the registered user or to their goods or services.

[57] With regards to trademark infringement, it is not in dispute that the plaintiff is the registered owner of the trademarks jasmine and Sumurkitta. The issue here is whether the defendants have used a mark which is identical to the plaintiff's trademark in that the use by the defendants is likely to deceive or cause confusion amongst the trade and the public. In *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63; [1992] 1 CLJ Rep 344, the Supreme Court said:

> Under s 38 of the Trade Marks Act, a registered trade mark is infringed by a person who uses a mark which:
>
> (a) is *identical with it*; or
>
> (b) so nearly resembling it as is likely to deceive; or
>
> (c) so nearly resembling it as is likely to cause confusion.

[58] The plaintiff has averred that the rice packaging bearing the plaintiff's identical trademarks that the plaintiff has purchased from the defendant via trap purchase and the 12 packets that were taken from the defendant's shops do not belong to the plaintiff as they are counterfeit products.

[59] From the visual comparison between the two products, I agree that the defendant's product is identical to the plaintiff's registered trademarks. The defendants have used the same or identical trademarks, namely jasmine and Sumurkitta on their rice packaging products. Further, where the products are similar, in this case, packages of rice, there is a higher likelihood of confusion and deception that members of the public would assume that they are buying the plaintiff's products. In the premise, I find that the defendant has infringed the plaintiff's registered trademark.

[60] Therefore, I am of the considered opinion that the defendants have committed trademark infringement, as can be depicted from the following pictures:

The plaintiff's rice product	The defendants' rice product

Issue (iv): Passing off

[61] The Supreme Court in *Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 2 MLJ 770; [1994] 3 CLJ 7 held that in order to create a valid cause of action for passing off, there must be a misrepresentation made by the trader in the cause of trade to prospective customers which is calculated to injure the business or goodwill of another and has caused damage to the business or goodwill of another.

[62] Therefore, the onus is on the plaintiff to establish the three elements in order to demonstrate that the defendants had passed off their rice products as that manufactured and sold by the plaintiff. The three elements are:

(a) reputation;

(b) misrepresentation; and

(c) damage.

[63] The same principles were reaffirmed by the Court of Appeal in the case of *Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor* [2012] MLJU 1192; [2012] 8 CLJ 645, where the court held that in order to establish

an action for passing off, the plaintiff must prove the following:

(a) that he has sufficient reputation or goodwill in the mark, trademark, get-up or other indicia in question under which his particular goods or services or offered to the public;

(b) he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to belief that goods or services offered by him are the goods services of the plaintiff; and

(c) he must demonstrate that he suffers or had suffered or is likely to suffer damage or injury to his business or goodwill by reason of the erroneous belief and engendered by the defendant's misrepresentation that the source of the defendant's good or services is the same of the source offered by the plaintiff.

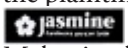
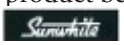
[64] With regards to goodwill and reputation, the plaintiff relied on the following facts:

(a) that the plaintiff have hundreds of customers (distributors and retailers) in Malaysia, including big stores such as Aeon (Jusco), Giant, Cold Storage, Tesco, Billion Shopping Centre Econmart, Econsave, Cold Storage and others (see exh 'E' annexed to the plaintiff's affidavit affirmed on 14 July 2015);

(b) some of the plaintiff's sales documents showing sales of rice products using the plaintiff's said trademarks obtained randomly for the years 2003–2015, which are exhibited in exh 'F' annexed to the plaintiff's affidavit affirmed on 14 July 2015;

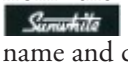
(c) there are many advertisement and promotions of the plaintiff's rice products bearing their registered trademarks as can be seen from exh 'G' of the plaintiff's affidavit affirmed on 14 July 2015; and

(d) that the plaintiff is also an award winning company, having obtained numerous awards for its rice products and business. The plaintiff's brand was recognised as the 'Superbrand' for the years 2002–2006, 2008 and 2010. The plaintiff's JASMINE brand was also awarded Reader's Digest 'Trusted Brand Gold Award' for the years 2004 to 2012, 2014 and the 'Trusted Brand Platinum Award' for the year 2013. The plaintiff's JASMINE brand was also awarded the 'The Brand Laureate Award' for the years 2007, 2009, 2014 and 2015. The plaintiff has also obtained the much-coveted ISO 9001:2000 and ISO 9001:2008 certifications (see exh 'B' annexed to plaintiff's affidavit dated 14 July 2015).

[65] By reason of the above facts, I am of the considered opinion that since the plaintiff's rice product bearing the plaintiff's registered trademarks namely  and  , have been marketed, promoted and sold in Malaysia, therefore the plaintiff has acquired sufficient reputation or goodwill in the said trademarks.

[66] On the issue of misrepresentation, the court in *Syarikat Zamani Hj Tamin Sdn Bhd & Anor v Yong Sze Fun & Anor* [2006] 5 MLJ 262, has held that:

> Misrepresentation in the passing off sense is a false representation on the part of the defendant which causes damage to the goodwill and reputation of the plaintiff through an unlawful association created between the defendant and the plaintiff. As set out by Lord Parker in *Spalding v Gamage* at p 450:
>
> > The basis of a passing off action being false representation by the defendant, it must be proven in each case as a fact that false representation has been made. It may, of course, have been made in express words, but cases of express misrepresentation of this sort are rare. The more common case is where the representation is implied in the use or imitation of a trade mark, trade name or get up with which the goods of another are associated in the minds of the public.

[67] The defendant's misrepresentation or false representation can be seen from the use of the plaintiff's registered trademarks and  on its counterfeit products. The defendant even uses the plaintiff's name and contact details on its counterfeit products, namely:

(a) 'Jasmine Food Corporation Sdn Bhd (No 162356-H) (Ahli Kumpulan Bernas)';

(b) 'Lot No 8, Jalan 25/123, Sek 25, 40000 Shah Alam, Selangor Darul Ehsan, Tel: 03-5122 3188 Fax: 03-5122 2188 (Sales)'; and

(c) 'Website: www.jasmine.com.my'.

[68] Therefore, on the issue of misrepresentation, in view of the identical marks in respect of the same rice products, I am of the considered opinion that there is misrepresentation by the defendant to the public leading to the public to belief that bags of rice offered by him are the bags of rice of the plaintiff.

[69] The last element in the tort of passing off is damages. In *Syarikat Zamani Hj Tamin Sdn Bhd & Anor* the court held that:

> there are various heads of damage but the generally recognised heads of damage could be labelled in two ways which are destruction and diversion. In the first case (destruction) the goodwill will be destroyed, damaged or depreciated. In the second case (diversion) *the goodwill as such may not initially be damaged to any measurable extent but the plaintiff is just as certainly deprived of its benefit the attractive force which*

the goodwill may draw in custom as powerfully as before but draw it to the defendant, instead of the plaintiff.

...

But goodwill will be protected even if there is minimal damage in the above sense. For example, it has been long recognised that a defendant cannot avoid a finding of passing off by showing that his goods or services are as good or better quality than the claimant's. In such a case, although the defendant may not damage the goodwill as such, what he does is damage the value of the goodwill to the claimant because instead of benefitting from the exclusive rights to his property, the latter now finds that someone else is squatting on it. (Emphasis added.)

[70] It is also settled law that actual damage need not be proven. A probability of damage is sufficient. In *Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585; [2012] 1 AMR 389, it was held by the Court of Appeal that:

[240] The law is settled. *Actual damages need not be proven. It is sufficient to show a probability of damage*. In this regard, the case of *HP Bulmer Ltd and Showerings Ltd v J Bollinger SA and Champagne Lanson Pere Et Fils* [1978] RPC 79 immediately comes to the forefront. There, Buckley LJ had this to say at p 95 of the report:

> It is well settled that a plaintiff in a passing off action does not have to prove that he had actually suffered damage by loss of business or in any other way. A probability of damage is enough, but the actual or probable damage must be damage to him in his trade or business, that is to say, damage to his goodwill in respect of that trade or business. Goodwill is a word of wide import.

[71] In the case of *Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 2 MLJ 770; [1994] 3 CLJ 7, the Supreme Court held that if the goods in question are in direct competition with one another, the issue of damage to the plaintiff's goodwill will be readily inferred.

[72] In the present case, since the defendants' counterfeit products and the plaintiff's original products are the same, that is rice products, and are in direct competition with one another, damages are inferred and presumed. Therefore, premised on *Seet Chuan Seng*'s case, damages to the plaintiff's goodwill will be readily inferred. At the same time, I also agree with the plaintiff that it is likely to suffer damages as a result of the infringing acts of the defendant due to the loss of exclusivity and damage to its goodwill and reputation.

[73] In the premise, I am of the considered opinion that the plaintiff have established the elements of passing off against the defendants.

Issue (v): The defendants' defence

[74] In their amended SOD, the defendants have raised two issues:

(a) that the defendants have obtained the rice products from third parties at a competitive price and resell the same to consumers (see paras 5, 7, 8, and 12); and

(b) that the defendants have acted in good faith and have no knowledge that the rice products from the third parties have infringed the plaintiff's intellectual property rights (see paras 7, 8 and 9).

[75] With regards to their defence that they have bought the rice products from third parties, in a letter dated 19 March 2015 (see exh 'R' annexed to the plaintiff's affidavit affirmed on 14 July 2015), the defendants wrote to the plaintiff's lawyer, the defendants said this:

> As we have explained to your client's manager that was present during the routine random inspection (of which the 'counterfeit' products were confiscated by your client's manager), *the products were purchased by us, our employees and/or agents from other sources including but not limited to hypermarkets such as Aeon and Tesco in good faith in preparation for the festival period of Chinese New Year.* We were unaware of the False Trade Description on the confiscated products and neither did we have any intention to sell or resell any products resembling your client's Trade Mark. The confiscated products were purchased in good faith and at the same time could be used as gifts to our friends and family during the Chinese New Year Season ... (Emphasis added.)

[76] However, in an affidavit affirmed by the first defendant on 3 August 2015, the defendants said in para (20):

> Perenggan 44 Afidavit Sokongan dinafikan dengan setegas-tegasnya. Defendan-*defendan sememangnya telah mendapatkan beg-beg beras tersebut yang tidak diingat kerana kuantiti kecil sama ada dari pasaraya atau pun orang perseorangan* sepertimana dinyatakan diaatas. Namun masa yang lama telah berlalu sejak pembelian tersebut dan samada tidak resit diberikan oleh orang perseorangan ataupun resit tersebut telah dibuang ... (Emphasis added.)

[77] Contrary to what the defendants have stated in their letter dated 19 March 2015; there is nothing in the defendants' affidavit to state that they have bought the counterfeit rice products from the hypermarkets Aeon and Tesco. Added to that, in their affidavit, the defendants now claimed that they have bought the counterfeit products from 'orang perseorangan' when no reference was made to 'orang perseorangan' in their letter dated 19 March 2015.

[78] In view of the inconsistency in the defendants' explanation as to the source of their counterfeit products, I find no merits in the defendants' SOD that requires the issues to be tried. I also agree with the plaintiff *the defendants failure to adduce any evidence of their alleged purchase of their counterfeit rice products from the said hypermarkets and/or persons is highly improbable*. If the purchase were made for the Chinese New Year celebrations, the said purchases must be recent purchase and there must be receipts to show the purchases. I also find it highly improbable that the defendants did not keep the receipts of purchase because as prudent businessman, they should make sure all transactions are accounted for.

[79] The defendants cannot produce the evidence of purchase from these hypermarkets and/or unspecified individuals because it is not real and not true. I find that the defendants' argument is therefore frivolous and empty. In the absence of any evidence to support the defendants' contention that they have bought the counterfeit products from hypermarkets Aeon and Tesco, or unspecified individuals, this issue is not triable. In *Abercrombie & Fitch Co & Anor* at p 440E–G the court held as follows:

> ... the court is satisfied that the *defendants have not raised any issue which merits a trial*. In fact, *'nothing would be gained by allowing the matter to go to trial'* (per Blackburne J in *Gilette UK Limited and Anor v Edenwest Limited* [1994] RPC 279 at p 294) because, firstly *all the allegations made and issues raised are not substantiated with any evidence*. (Emphasis added.)

[80] In respect of the defendants' contention that their counterfeit products were purchased as 'gift' for the Chinese New Year celebration, it is another improbable contention of the defendants. I find that the defendants have commercially offered for sales and have sold the counterfeit rice products to the plaintiff in a trap purchase conducted by the plaintiff on the 3 March 2015. On the 4 March 2015, during the visit by the Ministry of Agriculture & Agro-Based Industries at the defendants' premises, it was shown that the defendant have offered for public sale 12 bags of its counterfeit rice products. Both events happen after the Chinese New Year celebration. Added to that, from the pictures taken on 4 March 2015, it shows that the counterfeit rice products were displayed with other rice products for the public to purchase. The counterfeit rice products were not kept in the store or set aside in a secluded place meant for family giveaway.

[81] The last issue raised by the defendants is that they have acted in good faith and have no knowledge that the rice products bought from the third parties have infringed the plaintiff's intellectual property rights. However, I agree with the plaintiff that even on the assumption that the defendants were

'innocent', innocence is still no defence because the defendants' counterfeit products will still confuse and deceive end consumers. It is the ordinary consumer that must be protected.

[82] With regards to copyright claims, lack of knowledge is not a defence to such claim. In *Elster Metering Limited & Anor v Damini Corporation Sdn Bhd & Anor* [2012] MLJU 1753; [2012] 1 LNS 959, the Court of Appeal held as follows:

> [12] It is also equally clear that *neither intention to infringe, nor knowledge that he is infringing on the part of the defendant (respondent) is a necessary ingredient in the cause of action for infringement of copyright*. Once the two elements of sufficient objective similarity and causal connection are established, *it is no defence that the defendant was unaware (an could not have been aware) that what he was doing infringed the copyright of the plaintiff's work* (*Francis day & Hunter Ltd v Bron* — per Diplock LJ). (Emphasis added.)

[83] With regards to trademark infringements and passing off, the lack of knowledge is also not a defence to such claims either. In *Acushnet Company* the court held that:

> [47] It is not necessary that it should be intended to deceive or to cause confusion. We do not have to look into the mind of the user to see what he intended. It is it's probable effect on ordinary people which we need to consider. *The user may have no such intention, and was completely honest. But, he may still be guilty of infringement if his usage of the trade mark is likely to deceive or to cause confusion on the ordinary people*, (see: *Parker-Knoll Limited v Knoll International Limited*).
>
> ...
>
> [92] The defendant contends that its infringement is inadvertent due to the alleged misrepresentations of Zonson. The court cannot accept this contention. *Even if the defendant is innocent the law is very settled in that innocence is not a defence to trade mark infringement*.
>
> [93] In *Kerly's Law of Trade Marks and Trade Names* (13th Ed) at para 18–153 the learned author states:
>
> > *A Defendant cannot avoid an order for an inquiry by showing that he infringed innocently. The claimant has a right to damages regardless of the Defendants state of mind, and that is so regardless of whether the cause of action is infringement of a registered mark, or passing-off.*
>
> [94] In the case of *Gillete UK Limited and Anor v Edenwest Limited* [1994] RPC 279 at p 290 Blackburne J held:
>
> > *As regards infringement of a registered trade mark, it was settled law that innocence on the part of the infringer is no defence to a claim of damages*. (Emphasis added.)

[84] I am therefore of the considered opinion that the issues raised by the defendants in their SOD do not merit a full trial of the action. The defendants'

allegations are simply bare assertion which is not sufficient to raise a triable issue. In *Acushnet Company* the court held as follows at p 573/A:

> [37] *A mere bare assertion by the defendant would not be sufficient.* The duty of the court is quite onerous in the extreme. *The court must be vigilant and must view in prospective at the whole scenario in order to ascertain whether the defendant has a real or what is commonly known as a bona fide defence*, (see: *Renofac Builder (M) Sdn Bhd v Chase Perdana Bhd* [2001] 5 CLJ 371).

CONCLUSION

[85] In conclusion, I find that the defendants have not shown any bona fide defence or triable issues which warrants a trial. Whatever issue raised by the defendants must be issues that merit the claim going for trial. However, the defendants' contention that they have bought the counterfeit products from hypermarkets such as Aeon and Tesco is not supported by any evidence at all. The defendants' contention that their counterfeit products are 'gifts' to be given during Chinese New Year is baseless as the same was procured in a trap sale conducted by the plaintiff on 3 March 2015 and was offered for public sale during the visit of the Ministry officials on 4 March 2015.

[86] In the premise, the application is allowed with costs.

Enclosure 6 allowed with costs.

Reported by Afiq Mohamad